

vFinance Investments Business Continuity Plan (BCP) 2013

I. Emergency Contact Persons

Our Firm's two emergency contact persons are;

Chief Compliance Officer: Kay Johnson, office #: 206-343-6238 /cell #: 425-765-1722 /Blackberry #: 917-312-3281 /home #: 425-649-9703; kjohnson@nhldcorp.com & johnson.kay@comcast.net and;

Director of Operations: John Koenigsberg, office # 800-742-7730/212-417-8162 /cell #: 917-517-5867 /home #: 732-872-7401; jkoenigsberg@nhldcorp.com & john.koenigsberg@yahoo.com.

These names will be updated in the event of a material change and the Executive Representative, or his designee, will review them within 17 business days of the end of each calendar year.

Rule: FINRA Rule 4370 & 1160

II. Firm Policy

Our Firm's policy is to respond to a Significant Business Disruption (SBD) by safeguarding employees' lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the firm's books and records, and allowing our customers to transact business. In the event that we determine we are unable to continue our business, we will assure customers prompt access to their funds and securities through our clearing firms.

A. Significant Business Disruptions (SBDs)

Our plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. Our response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of our clearing firms.

B. Approval and Execution Authority

Kay Johnson, Chief Compliance Officer, a registered principal, is responsible for approving the plan and for ensuring that the required annual review is conducted. William Groeneveld, President, Kay Johnson, CCO, John Koenigsberg, DOO and Alan Levin, CFO have the authority to execute this BCP.

C. Plan Location and Access

Our Firm will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection. An electronic copy of our plan is located on each of the following servers: Seattle, WA, Boca Raton, FL and New York, NY in the BCP Folder.

III. Business Description

Our Firm services institutional customers and conducts business in equity, fixed income, options, investment banking, trading and derivative securities. Our firm is an introducing firm and does not perform any type of clearing function for itself but does have a tri-party clearing agreement between one or more BDs and NFS. vFinance does not hold customer funds or securities. We accept and enter orders; transactions are executed onsite or sent to our clearing firms who can execute, the clearing firm then compares, allocates, clears and settles trades. Our clearing firms also maintain our customers' accounts, can grant customers access to them, and deliver funds and securities. The firm is also a market maker and operates two market making locations (Boca Raton, FL and, Longwood, FL).

vFinance Investments uses four clearing firms:

National Financial Services, 100 Salem Street, Smithfield, RI 02917

Attn: Jamie James, Tel #: W: 401-292-6931, C: 401-418-4954, jamie.james@fmr.com
National Financial Services, 200 Seaport Boulevard, Boston, MA 02210
Attn: Nels Lindblom, Tel # W: 617-392-2301, C: 617-212-287, nels.lindblom@fmr.com

CorClearing, 9300 Underwood Ave, Ste. 400, Omaha, NE 68114

Attn: Cheri Tucker, Tel # 402-384-6180, cheri.tucker@corclearing.com
Customer Service: Tel # 800-811-3487, 402-384-6101

ICBC Financial Services, LLC 1633 Broadway, 28th Floor NY, NY 10019

Attn: Alan Levy, Tel: 212-993-7304, alan.levy@icbkfs.com

Rosenthal Collins Group, LLC 216 West Jackson Blvd, Chicago, IL 60606

Attn: Richard Horgan, Tel: 312-795-7560, rhorgan@rcgdirect.com

IV. Office Locations

Our Firm has main locations in Boca Raton, FL, Mt. laurel NJ and New York, NY. In addition, we have multiple branch offices as listed on CRD per the attached schedule, Exhibit A. The primary offices are as follows:

A. Boca Raton, FL

One main office is located at 1200 North Federal Highway, Suite 400, Boca Raton, FL. The telephone number is 561-981-1000. Our employees may travel to that office by foot, car, bus, boat, and/or plane. We engage in order taking and entry, market making, back office operations, supervision and accounting at this location.

B. Mount Laurel, NJ

A backup office is located at 131 H, Gaither Drive, Mount Laurel, NJ. Its main telephone number is 856-234-2900. Our employees may travel to that office by means of foot, car, train, subway bus, boat and/or plane. We can engage in order taking and entry, market making and accounting at this location.

C. New York, NY

Another main office is located at 120 Broadway, 27th Floor, New York, NY. Its main telephone number is 212-417-8000. Our employees may travel to that office by means of foot, car, train, subway bus, boat and/or plane. We engage in back office operations, compliance and supervision at this location.

V. Alternative Physical Location(s) of Employees

vFinance maintains other registered and non-branch locations. In the event of any SBD at these locations, the affected office will notify the home office of the SBD so that we may make arrangements to handle the work and/or temporary relocation of associated persons to the closest functioning location. In the event of an SBD at one of the main offices, the other main office(s) will maintain full operations. If necessary, and as circumstances allow, we will move our business critical staff from affected offices to the backup office location or to the closest of our unaffected office locations. Some associated persons may be able to work remotely from their homes or other alternate location to maintain contact with the home office.

Rule: FINRA Rule 4370(c)(6)

VI. Customers' Access to Funds and Securities

Our firm does not maintain custody of customers' funds or securities; these are maintained at our clearing firms. In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions and contact the relevant clearing firm on their behalf. If Web access is available, customers will be able to access our website BCP disclosure statement that provides information for customers to access their funds and securities from the clearing firms.

If SIPC determines that we are unable to meet our obligations to our customers or if our liabilities exceed our assets in violation of Securities Exchange Act Rule 15c3-1, SIPC may seek to appoint a trustee to disburse our assets to customers. We will assist SIPC and the trustee by providing our books and records identifying customer accounts subject to SIPC regulation.

Rules: FINRA Rule 4370(a); Securities Exchange Act Rule 15c3-1; 15 U.S.C. 78eee (2003)

VII. Data Back-Up and Recovery (Hard Copy and Electronic)

Our Firm maintains its primary hard copy books and records and its electronic records at 1200 N. Federal Highway, Suite 400, Boca Raton, FL 33432. Alan Levin is responsible for the maintenance of these books and records. Our internal electronic corporate data (accounting, payroll) is replicated in real time between our Boca Raton headquarters, our Miami, FL data center servers and our Bethlehem, PA data center servers.

Other internal electronic data (trading, client information) is replicated in real time between our Boca Raton, FL, Miami, FL, Bethlehem, PA and our Mount Laurel, NJ servers.

In the event of an internal or external SBD that causes the loss of our paper records, we would not be able to physically recover them from our back-up site but they could be reconstructed from backed up electronic records. If our primary site is inoperable, we will continue operations from Mt Laurel or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our back-up site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

Many account forms are transmitted to the clearing firms which conduct regular backups of data and maintain these in offsite locations. Account forms sent to NY Ops are entered into the Image Silo system which maintains copies of such documents at Kansas City, Missouri and Denver, Colorado which is backed up every two hours and every night by snapshot. Additionally, every evening a full databases backup for each SQL database is created and every hour a SQL transaction backup is performed. Not all older account documents and forms are backed up in hard copy at this time.

The Firm backs up its electronic mail and messaging communications through a third party vendor, Global Relay which archives in real time and backs up data nightly to disk storage.

The Firm maintains electronic records of account document through the firm's Boca Raton FL, Miami FL COLO, Bethlehem, PA COLO Servers and ImageSilo. All of the Corporate Data Servers are replicated in Real-Time between Miami and Bethlehem COLO sites using CA ARCserve Data Replication via internal MPLS. The corporate Data Servers are then backed-up to a Corporate BackUp Storage server in Miami, FL nightly which is then the BackUp Storage Server is backed-up to Tape nightly. Image Silo maintains copies of such documents at Kansas City, Missouri and Denver, Colorado which is backed up every two hours and every night by snapshot. Additionally, every evening a full databases backup for each SQL database is created and every hour a SQL transaction backup is performed.

The Firm backs up its data to EAI Information Systems which keeps a copy at their Beaverton, Oregon corporate office location. EAI Information Systems maintains a live redundant hot site in Seattle, Washington and keeps an offsite copy on those premises. The Seattle location is a ready backup environment for the application and all data. EAI Information Systems uses daily processes to maintain current copies at both their locations.

In the event of an internal or external SBD that causes the loss of our paper records, we will recover the backup files from our other main office location. If our primary site is inoperable, we will continue operations from our alternate main office location or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our alternate site, or, if our one site is inoperable, continue operations from our other main location or an alternate location.

Rule: FINRA Rule 4370(c)(1)

VIII. Financial and Operational Assessments

vFinance Investments will periodically, but no less than quarterly, assess changes in these exposures, quickly assess the situation, and take appropriate action relative to a significant business disruption.

A. Operational Risk

In the event of an SBD, we will immediately identify what means will permit us to communicate with our customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will include our Website, telephone voice mail, secure e-mail, etc. In addition, we will retrieve our key activity records as described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Rules: FINRA Rules 4370(c)(3) & (f)(2)

B. Financial and Credit Risk

In the event of an SBD, we will determine the value and liquidity of our investments and other assets to evaluate our ability to continue to fund our operations and remain in capital compliance. We will contact our clearing firms, critical banks, and investors to apprise them of our financial status. If we determine that we may be unable to meet our obligations to those counter-parties or otherwise continue to fund our operations, we will request additional financing from our bank or other credit sources to fulfill our obligations to our customers and clients. If we cannot remedy a capital deficiency, we will file appropriate notices with our regulators and immediately take all appropriate steps.

Rules: FINRA Rules 4370(c)(3),(c)(8) & (f)(2)

IX. Mission Critical Systems

Our Firm's "mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities. More specifically, these systems include BRASS which is part of the firm's order entry system, and Streetscape/FBSI and CorClearing ILX Workstation which are the back office systems for our clearing firms; NFS and CorClearing respectively.

The BRASS and NFS servers are built in redundancy in the Miami FL COLO and the Mount Laurel NJ Disaster Recovery Site. We run out of both simultaneously to ensure maximum up-time and we can failover to one site at any time if needed.

We have primary responsibility for establishing and maintaining our business relationships with our customers and have sole responsibility for our mission critical functions of order taking and entry. Our clearing firms provide, through contract, the execution,

comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Our clearing firm's contracts provide that our clearing firms will maintain a business continuity plan and the capacity to execute that plan. Our clearing firms represents that it will advise us of any material changes to its plan that might affect our ability to maintain our business and presented us with an executive summary of its plan, which is attached, Exhibit B. In the event a clearing firm executes its plan, it represents that it will notify us of such execution and provides us equal access to services as its other customers. If we reasonably determine that our clearing firms have not or cannot put its plan in place quickly enough to meet our needs, or is otherwise unable to provide access to such services, our clearing firms represents that it will assist us in seeking services from an alternative source.

Our clearing firms represent that they back up our records at a remote site. Our clearing firms represent that they operate a back-up operating facility in a geographically separate area with the capability to conduct the same volume of business as its primary site. Our clearing firms have also confirmed the effectiveness of its back-up arrangements to recover from a wide scale disruption by testing and they have confirmed that they test its back-up arrangements quarterly.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure—particularly telecommunications—can affect actual recovery times. Recovery refers to the restoration of clearing and settlement activities after a wide-scale disruption; resumption refers to the capacity to accept and process new transactions and payments after a wide-scale disruption. Our clearing firms have the SBD recovery time and resumption objectives per the attached Summary BCPs (Exhibit B).

A. Our Firm's Mission Critical Systems

1. Order Taking

Currently, our Firm receives orders from customers via telephone or in person visits by the customer. During an SBD, either internal or external, we will continue to take orders through any of these methods that are available and reliable, and in addition, as communications permit, we will inform our customers (when communications become available) to tell them what alternatives they have to send their orders to us. Customers will be informed of alternatives by any available method including posting on the firm website www.vfinance.com. If necessary, we will advise our customers to place orders directly with the appropriate clearing firm.

2. Order Entry

Generally, brokers at vFinance enter customer orders into our clearing firms' order entry system, which is an internet-based system. Those orders are then routed by our clearing firms to market centers for execution. In the event of an internal SBD or any internet disruption, the fastest alternative means available would require brokers to contact the trading desk via phone, at which point orders would be entered directly in the BRASS system for execution (BRASS is on a dedicated circuit and not impacted by the internet). If the BRASS circuit is down but the internet is working then all orders would be handled normally in our secondary location. If both BRASS circuits are down our clearing firms can immediately route all orders through their desk for execution. If all systems are down, then orders would be called in directly to our clearing firms for execution, either by the firm or by the clients directly. In the event of an external SBD, we will maintain the order in electronic or paper format, and deliver the order to the clearing firm by the fastest means available when it resumes operations.

3. Order Execution

Orders received from other broker dealers through our BRASS for executions are able to be processed in either our Florida or New Jersey location on completely independent circuits.

B. Mission Critical Systems Provided by Our Clearing Firm

Our firm relies, by contract, on our clearing firms to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

Rules: FINRA Rules 4370(c) & (f)(1)

X. Alternate Communications Between the Firm and Customers, Employees, and Regulators

A. Customers

We now communicate with our customers using the telephone, e-mail, our Website, fax, e-fax, U.S. mail, and in person visits at our firm headquarters and at branch locations. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or verbal) to the means that we have used in the past to communicate with the other party. For example, if we have communicated with a party by e-mail but the Internet is unavailable, we will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Rule: FINRA Rule 4370(c)(4)

B. Employees/Associated Persons (AP)

We now communicate with our employees using the telephone, e-mail, fax, and in person. In the event of an SBD, we will assess which means of communication are still available to us, and use the means closest in speed and form (written or verbal) to the means that we have used in the past to communicate with the other party. We will also employ a call tree so that senior management can reach all employees/APs quickly during an SBD. Any member of Senior Management may invoke the use of the call tree. A complete list of AP contact information is kept current by the Human Resource Department.

Caller	Call Recipients
William Groeneveld	A. Levin, J. Koenigsberg, K. Johnson, L. Sokolow, J. Matthai, Trading Dept
K. Johnson	Compliance, L. Romeu, NAM
J. Koenigsberg	Clearing Firms, Operations Dept
Larry Romeu	RSOs, Supervision Dept, Registration Dept
Regional Supervisors	OSJ Principals, Branch Managers, RRs
Alan Levin	Human Resources, Accounting Dept
Alan Levin	IT Dept

Rule: FINRA Rule 4370(c)(5)

C. Regulators

We are currently members of FINRA. We communicate with our regulators using the telephone, e-mail, fax, e-fax, U.S. mail, and in person. In the event of an SBD we will assess which means of communication are still available to us, and use the means closest in speed and form (written or oral) to the means that we have used in the past to communicate with the other party. Contact information for for FINRA and other regulators is attached in Exhibit C.

Rule: FINRA Rule 4370(c)(9)

XI. Critical Business Constituents, Banks, and Counter-Parties

A. Business Constituents

We have contacted our critical business constituents (businesses with which we have an ongoing commercial relationship in support of our operating activities, such as vendors providing us critical services), and determined the extent to which we can continue our business relationship with them in light of an internal or external SBD. Through our bi-coastal headquarter offices we will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when we need them because of a SBD to them or our Firm. Our major suppliers are:

Vendors

Current Internet Provider

SprintData
P O Box 219623
Kansas City, MO 64121
800-676-5110

Level 3
PO BOX 910182
Denver, CO 80291-0182
877-253-8353

Fiberlight
PO BOX 602526
Charlotte, NC 28260-2526
678-366-0027

Comcast
PO BOX 10584
Atlanta, GA 30348-5184
800-391-3000

Current Phone Vendors

M5 Networks, Inc.
245 West 17th Street, 9th floor
New York, NY 10011
646-230-5000

New York Office (Trading)
Windstream
One Paetec Plaza
600 Willowbrook Office Park
Fairport, NY 14450
877-770-2556

Power Company – Seattle Office

Seattle City Light
700 5th Ave
Seattle, WA 98104
206-684-3000

(Subject to change)

Alternate Internet Providers

Megapath - Seattle Office
Department 33408
PO Box 39000
San Francisco, CA 94139-0001
1.800.556.5829

Alternate Internet - New York Office

XO Communications
13865 Sunrise Valley Drive
Herndon, Virginia 20171
703-547-2000

MPLS circuits for Intra
- Office communication and data replication
- Seattle & New York Offices

Windstream
One Paetac Plaza
600 Willbrook Office Park
Fairport, NY 14450
877-770-2556

Alternate Phone Vendors

M5 Networks, Inc.
245 West 17th Street, 9th floor
New York, NY 10011
646-230-5000

Verizon Wireless
PO BOX 105378
Atlanta, GA 30348
800-922-0204

Windstream
744 Broad Street Suite 510
Newark, NJ 07102
877-340-2555

Power Company – New York Office

Con Edison
PO Box 138
New York, NY 10276
800-752-6633

Co-lo Backup Sites

Quality Technology Services
11234 NW 20th Street
Miami, FL 33172
866-239-5000

Windstream
3864 Courtney Street
Suite 130
Bethlehem, PA 18017
800-967-2233

Insurance Vendors

Arthur J Gallagher & CO (AIG)
505 North Brand Blvd, Suite 600
Glendale, CA 91203
818-539-2300

The Hartford - Workers Comp
55 Farmington Avenue, Suite 301
Hartford, CT 06115
877-287-1316

Power Company – Boca Raton Office

FPL
P O Box 025576
Miami, FL 33102
800-375-2434

Trading Desk Vendors**eSignal**

- division of Interactive Data Corp
955 Parkview Blvd
Lombard IL 60148
800-624-1269

Knight Execution and Clearing

– Equity Desk
545 Washington BLVD
Jersey City NJ 07310
201-356-1531

Thomson One/Reuters

– Brokers & Traders
195 Broadway
New York NY 10007
646-223-4000
Rules: FINRA Rule 4370(c)(7)

IPC NETWORK SERVICES INC

– ARD's for Bonds Desk – New York
1 State Street
12TH Floor
New York NY 10004
(212) 586-7500

Instinet LLC

– Trading
1095 Avenue of the Americas
New York NY 10036
212-310-9544

Espeed

110 East 59th Street
New York NY 10022
212-829-7143

TradeWeb

P O Box 9202how
New York NY 10087
201-536-6530

Bloomberg

731 Lexington Avenue
New York NY 10022
212-617-7791

Sungard/Brass

545 Washington Blvd
Jersey City NJ 67310
201-499-5910

NASDAQ

PO Box 7777-W9940
Philadelphia PA 19175
800-955-3898

Pink Sheets

PO Box 29959
New York NY 10087
212-896-4400

B. Banks

We have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD.

The bank maintaining our operating account is **Wells Fargo**

980 North Federal Highway
Boca Raton, FL 33432
Phone: 561-393-2779

The bank maintaining our Proprietary Account of Introducing Brokers/Dealers (PAIB account) is National Financial Services, LLC and CorClearing.

National Financial Services, LLC

200 Liberty Str., NY4F, Once World Financial Center
New York, NY 10281
Contact: Jackie Hickey or Meredith Arendt
Telephone: 212-335-5277, 212-335-5067

CorClearing

9300 Underwood Avenue, Suite 400
Omaha, NE 68114
Attn: Cheri Tucker, Tel # 402-384-6180, cheri.tucker@corclearing.com
Customer Service: Tel # 800-811-3487, 402-384-6101

ICBC Financial Services, LLC

1633 Broadway, 28th Floor NY, NY 10019
Contact: Alan Levy
Telephone: 212-993-7304

If our banks and other lenders are unable to provide the financing, we will seek alternative financing immediately from National Financial Services.

Mail Zone ZG3
200 Seaport Blvd
Boston, MA 02210
Attn: Suela Alika
Telephone: 617-392-2994

Rules: FINRA Rule 4370(c)(7)

C. Counter-Parties

We have contacted our critical counter-parties, such as other broker-dealers or institutional customers, to determine if we will be able to carry out our transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, we will work

with our clearing firm or contact those counter-parties directly through whatever means possible to make alternative arrangements to complete those transactions as soon as possible

Rules: FINRA Rules 4370(a) &(c)(7)

XII. Regulatory Reporting

Our Firm is subject to regulation by: FINRA, SEC and all state securities regulators. We now file reports with our regulators using paper copies in the U.S. mail, and electronically using fax, e-mail, and the Internet. In the event of an SBD, we will check with the SEC, FINRA, and other regulators to determine which means of filing are still available to us, and use the means closest in speed and form (written or verbal) to our previous filing method. In the event that we cannot contact our regulators, we will continue to file required reports using the communication means available to us. Our district office of FINRA is located at Crystal Corp Ctr., 2500 N. Military Trail, Ste. 302 Boca Raton, FL., 33431. Contact information for FINRA and other regulators is attached in Exhibit C.

Rule: FINRA Rule 4370(c) (8)

XIII. Disclosure of Business Continuity Plan

We provide in writing a BCP disclosure statement to customers within the *Important Information Booklet* at account opening and on an annual basis. We also post the disclosure statement on our Website and mail it to customers upon request. Our disclosure statement is attached as Exhibit D.

Rule: FINRA Rule 4370(e)

XIV. Updates and Annual Review

Our Firm will update this plan whenever we have a material change to our operations, structure, business or location or to those of our clearing firm. In addition, our Firm will review this BCP annually to modify it for any changes in our operations, structure, business, or location or those of our clearing firm.

Rule: FINRA Rule 4370(b)

XV. Senior Manager Approval

I have approved this Business Continuity Plan as reasonably designed to enable our firm to meet its obligations to customers in the event of an SBD.

Rule: FINRA Rule 4370(d)

Signed: _____

Title: _____

Date: _____